under his order dated 10th January, 2002. After considering the arguments put forward by the parties during the course of hearing on 3rd December, 2001 and also the written submissions filed by them, the Special Director of Enforcement Directorate decided to drop the proceedings initiated against them.

Postponement of Introduction of VAT

76. DR. MANMOHAN SINGH:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central and State Governments have postponed the introduction of the Value-added Tax (VAT) regime across the country by one year;

(b) if so, the details in this regard and the reasons therefor;

(c) whether Government are aware that the postponement of the introduction of VAT system is likely to adversely affect the competitiveness of the Indian industries in the domestic as well as global market; and

(d) if so, the steps proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) A conference of State/UT Finance Ministers held in January, 2002 decided, after detailed deliberations, that the Value added Tax (VAT) system be introduced by all States from 1 April, 2003. This postponement was found necessary to enable completion of various legislative measures as well as administrative actions in areas like computerisation, staff training allaying apprehensions about the VAT system in certain sections of trade and industry, etc. This will also enable all States, including special category States, to introduce the VAT system from the same date.

(c) and (d) The State/Union Territory Governments as well as the Central Government are of the view that adequate prior preparations must be ensured before introduction of the VAT system. Only then

would it be possible for this taxation system to assist the process of improving the competitiveness of Indian industry.

Tax Evasion by HCL Group

77. SHRI ABANI ROY:
SHRI MUNAVVAR HASAN:

Will the Minister of FINANCE be pleased to state:

(a) whether the Income Tax Department has recently conducted searches at the residences and official premises of HCL Group recently and recovered documents relating to tax evasion etc;

(b) if so, the details thereof; and

(c) the steps contemplated by Government to check tax evasion by leading industries/business houses in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. The search was conducted on 24th January, 2002 and documents were seized. Investigation is in progress to determine the exact nature and amount of the tax evasion.

(c) Scrutiny of the returns of income, surveys and search and seizure actions are carried out by the Department to check tax evasion.

Bound Tariff Rates for Agricultural Commodities

78. SHRI RAJU PARMAR:
SHRI BHAGATRAM MANHAR:

Will the Minister of FINANCE be pleased to state:

(a) the bound rates of tariffs for agricultural commodities in the country as on 1st January, 2002 and up to what period India can continue with these bound rates;

(b) the current import duties on major agricultural products